

# **FISCAL NOTE**

## **SB 2795 - HB 2499**

March 7, 2000

**SUMMARY OF BILL:** Prohibits health insurers and HMOs from rescinding or modifying authorization or denying the authorized payment to the health care provider for services rendered in good faith and pursuant to the authorization. Authorizes the Department of Commerce and Insurance to conduct periodic examinations of insurers to determine compliance with the provisions of this bill. Allows the department to levy civil penalties or take licensure action.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$63,200 Recurring  
\$8,250 One-Time**

**Other Fiscal Impact – Increase Federal Expenditures – \$21,100 Recurring  
\$2,750 One-Time**

Assumes a need for two positions and associated expenses in the Department of Commerce and Insurance to conduct examinations to insure compliance with the statute. One position is in the TennCare Division of DCI and is funded by 50% Federal funds.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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